

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ROYAL GORGE FIELD OFFICE**

DECISION RECORD
Tigertail Federal 2-3 APD
DOI-BLM-CO-F020-2015-0004-EA

DECISION: It is my decision to authorize the Proposed Action as described in the attached EA. The proposed action is the construction of one well pad and access road, and the drilling of one vertical oil well on private surface over federal minerals (split estate).

The project is in Weld County, approximately 12 miles east of the Town of Ault, Colorado. The federal mineral estate is leased and subject to oil and gas development.

The proposed action was analyzed in the Environmental Assessment (EA) DOI-BLM-CO-F020-2015-0004 and a Finding of No Significant Impact was reached and an EIS will not be prepared.

RATIONALE: This APD will develop oil and gas resources on Federal minerals Lease COC 67169 consistent with existing Federal lease rights provided for in the Mineral Leasing Act of 1920, as amended. Extensive oil and gas development has occurred throughout the project area, mostly on private mineral estate.

The project area currently has a high degree of alteration in the form of agricultural fields, roads, houses, and oil and gas production. The addition of the infrastructure needed to construct and drill the proposed well would have mostly temporary and overall minor impacts on resources present in the project area.

MITIGATION MEASURES\MONITORING:

Air Quality:

Grynberg Petroleum, Inc. will use industry best practices, including watering, graveling, and reseeded to reduce fugitive dust emissions from vehicular traffic and disturbed surfaces. Interim reclamation and any existing agricultural practices will be implemented in order to stabilize the site and prevent fugitive dust from being generated. No visible dust plumes should be observed leaving the site.

All Drill Rigs will be required to meet EPA Non-Road Tier II Emissions Standards, or better, for all drilling and completion operations.

Process equipment will be permitted by CDPHE in accordance with applicable requirements and required emissions standards to limit the facility's potential to emit and provide appropriate operating, monitoring, and recordkeeping requirements. VOC emissions controls achieving at least 90% control efficiency will be applied to all storage tanks.

Geology and Mineral Resources:

Onshore Order #2 requires that the proposed casing and cementing programs shall be conducted as approved to protect and/or isolate all usable water zones and prospective mineral zones. At the APD stage, geologic and engineering reviews will be completed to ensure that cementing and casing programs are adequate to protect all downhole resources. Known water bearing zones in the APD area are protected by drilling requirements and, with proper practices, contamination of ground water resources is highly unlikely. Casing along with cement would be extended well beyond fresh-water zones to ensure that drilling fluids remain within the well bore and do not enter groundwater.

Invasive Plants:

Equipment used to implement the proposed action should be washed prior to entering the project area to remove any plant materials, soil, or grease. Areas disturbed by project implementation will be monitored for the presence of weeds on the Colorado State Noxious Weed list. Identified noxious weeds will be treated. Monitoring and treatment (if necessary) is required for the life of the project until BLM deems final reclamation is successful, which includes lack of Colorado list A and B noxious weeds.

Threatened, Endangered and Sensitive Species:

The project location does offer suitable habitat for mountain plover. If vegetation disturbing activities are to occur during May 15 through July 15 a clearance survey following U.S. Fish and Wildlife Service survey protocol must be completed prior to project activity.

Ferruginous hawks may nest in the project area; therefore, a raptor nest survey must be completed prior to construction and drilling efforts if actions are to occur during May 15 through July 15.

Wildlife Terrestrial:

A raptor nest survey must be completed prior to construction and drilling efforts if actions are to occur during May 15 through July 15.

Migratory Birds:

To be in compliance with the Migratory Bird Treaty Act (MBTA) and the Memorandum of Understanding between BLM and USFWS required by Executive Order 13186, BLM must avoid actions, where possible, that result in a “take” of migratory birds. Under the MBTA, “take” means to pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in such conduct. All mortality or injury to species protected by the MBTA shall be reported immediately to the BLM project lead and to the USFWS representative.

Pursuant to BLM Instruction Memorandum 2008-050, to reduce impacts to Birds of Conservation Concern (BCC), no habitat disturbance (removal of vegetation such as timber, brush, or grass) is allowed during the periods of May 15 - July 15, during the breeding and brood rearing season for most Colorado migratory birds. An exception to

this timing limitation will be granted if nesting surveys conducted no more than one week prior to surface-disturbing activities indicate no nesting within 30 meters (100 feet) of the area to be disturbed. Surveys shall be conducted by a qualified breeding bird surveyor between sunrise and 10:00 a.m. under favorable conditions. This provision does not apply to ongoing construction, drilling, or completion activities that are initiated prior to May 15 and continue into the 60-day period.

Any secondary containment system will be covered in a manner to prevent access by migratory birds. The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, and in-line units. Any action that may result in a “take” of individual migratory birds or nests that are protected by MBTA will not be allowed.

Paleontologic Resources:

In order to prevent potential impacts to paleontologic resources, a condition of approval will be attached to the APD that directs the holder to notify the BLM RGFO immediately if any vertebrate fossils or their traces are discovered during operations. Operations may continue as long as the fossil specimen would not be damaged or destroyed by the activity. Within 5 working days of notification, the BLM RGFO shall evaluate or have evaluated such discoveries and shall notify the operator what action shall be taken with respect to such discoveries. Since the APD is on split estate, the fossils are owned by the surface owner, BLM can recommend these measures but cannot require them.

Wastes, Hazardous or Solid:

The following mitigation will assist in reducing potential spills resulting in groundwater and/or soil contamination:

- All Above Ground Storage Tanks will need to have secondary containment and constructed in accordance with standard industry practices or an associated Spill Prevention Control and Countermeasures plan in accordance with State regulations (if applicable).
- If drums are used, secondary containment constructed in accordance with standard industry practices or governing regulations is required. Storage and labeling of drums should be in accordance with recommendations on associated MSDS sheets, to account for chemical characteristics and compatibility.
- Appropriate level of spill kits need to be onsite and in vehicles.
- All spill reporting needs to follow the reporting requirements outlined in NTL-3A.
- No treatment or disposal of wastes on site is allowed on Federal Lands.
- All concrete washout water needs to be contained and properly disposed of at a permitted offsite disposal facility.
- If pits are utilized they need to be lined to mitigate leaching of liquids to the subsurface, as necessary. State and/or Federal regulations may apply to pit construction and removal.

PROTEST/APPEALS: This decision shall take effect immediately upon the date it is signed by the Authorized Officer, and shall remain in effect while any appeal is pending unless the Interior Board of Land Appeals issues a stay (43 CFR 2801.10(b)). Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a notice of appeal must be filed in the office of the Authorized Officer at the Royal Gorge Field Office, 3028 E. Main, Cañon City, Colorado, 81212. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the Authorized Officer.

SIGNATURE OF AUTHORIZED OFFICIAL: _____
Keith E. Berger, Field Manager

DATE SIGNED: _____